



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2011 REGULAR SESSION

HOUSE BILL NO. 387

AS ENACTED

FRIDAY, MARCH 4, 2011

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ELAINE N. WALKER
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adles

1 AN ACT relating to advance deposit account wagering licenses.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 →SECTION 1. KRS 230.210 IS REPEALED AND REENACTED TO READ AS
4 FOLLOWS:

5 *As used in this chapter, unless the context requires otherwise:*

6 (1) "Advance deposit account wagering" means a form of pari-mutuel wagering in
7 which an individual may establish an account with a person or entity licensed by
8 the racing commission, and may place a pari-mutuel wager through that account
9 that is permitted by law;

10 (2) "Advance deposit account wagering licensee" means a person or entity licensed
11 by the racing commission to conduct advance deposit account wagering and
12 accept deposits and wagers, issue a receipt or other confirmation to the account
13 holder evidencing such deposits and wagers, and transfer credits and debits to
14 and from accounts;

15 (3) "Appaloosa race" or "Appaloosa racing" means that form of horse racing in
16 which each horse participating in the race is registered with the Appaloosa Horse
17 Club of Moscow, Idaho, and is mounted by a jockey;

18 (4) "Arabian" means a horse that is registered with the Arabian Horse Registry of
19 Denver, Colorado;

20 (5) "Association" means any person licensed by the Kentucky Horse Racing
21 Commission under KRS 230.300 and engaged in the conduct of a recognized
22 horse race meeting;

23 (6) "Harness race" or "harness racing" means trotting and pacing races of the
24 standardbred horses;

25 (7) "Horse race meeting" means horse racing run at an association licensed and
26 regulated by the Kentucky Horse Racing Commission, and may include
27 thoroughbred, harness, and quarter horse racing;

- 1 (8) "Host track" means the track conducting racing and offering its racing for
2 intertrack wagering, or, in the case of interstate wagering, means the Kentucky
3 track conducting racing and offering simulcasts of races conducted in other
4 states or foreign countries;
- 5 (9) "Intertrack wagering" means pari-mutuel wagering on simulcast horse races
6 from a host track by patrons at a receiving track;
- 7 (10) "Interstate wagering" means pari-mutuel wagering on simulcast horse races
8 from a track located in another state or foreign country by patrons at a receiving
9 track or simulcast facility;
- 10 (11) "Kentucky Quarter Horse Purse Program" means a purse program established
11 to receive funds from the racing commission for purse programs established in
12 KRS 230.3771(4) to supplement purses for quarter horse races. The purse
13 program shall be administered by the Kentucky Quarter Horse Racing
14 Association;
- 15 (12) "Kentucky resident" means:
- 16 (a) An individual domiciled within this state;
- 17 (b) An individual who maintains a place of abode in this state and spends, in
18 the aggregate, more than one hundred eighty-three (183) days of the
19 calendar year in this state; or
- 20 (c) An individual who lists a Kentucky address as his or her principal place of
21 residence when applying for an account to participate in advance deposit
22 account wagering;
- 23 (13) "Principal" means any of the following individuals associated with a
24 partnership, trust, association, limited liability company, or corporation that is
25 licensed to conduct a horse race meeting or an applicant for a license to conduct
26 a horse race meeting;
- 27 (a) The chairman and all members of the board of directors of a corporation;

- 1 **(b) All partners of a partnership and all participating members of a limited**
2 **liability company;**
- 3 **(c) All trustees and trust beneficiaries of an association;**
- 4 **(d) The president or chief executive officer and all other officers, managers,**
5 **and employees who have policy-making or fiduciary responsibility within**
6 **the organization;**
- 7 **(e) All stockholders or other individuals who own, hold, or control, either**
8 **directly or indirectly, five percent (5%) or more of stock or financial interest**
9 **in the collective organization; and**
- 10 **(f) Any other employee, agent, guardian, personal representative, or lender or**
11 **holder of indebtedness who has the power to exercise a significant influence**
12 **over the applicant's or licensee's operation;**
- 13 **(14) "Quarter horse" means a horse that is registered with the American Quarter**
14 **Horse Association of Amarillo, Texas;**
- 15 **(15) "Racing commission" means the Kentucky Horse Racing Commission;**
- 16 **(16) "Receiving track" means a track where simulcasts are displayed for wagering**
17 **purposes. A track that submits an application for intertrack wagering shall meet**
18 **all the regulatory criteria for granting an association license of the same breed as**
19 **the host track, and shall have a heated and air-conditioned facility that meets all**
20 **state and local life safety code requirements and seats a number of patrons at**
21 **least equal to the average daily attendance for intertrack wagering on the**
22 **requested breed in the county in which the track is located during the**
23 **immediately preceding calendar year;**
- 24 **(17) "Simulcast facility" means any facility approved pursuant to the provisions of**
25 **KRS 230.380 to simulcast racing and conduct pari-mutuel wagering;**
- 26 **(18) "Simulcasting" means the telecast of live audio and visual signals of horse races**
27 **for the purpose of pari-mutuel wagering;**

1 (19) "Telephone account wagering" means a form of pari-mutuel wagering where an
 2 individual may deposit money in an account at a track and may place a wager by
 3 direct telephone call or by communication through other electronic media owned
 4 by the holder of the account to the track;

5 (20) "Thoroughbred race" or "thoroughbred racing" means a form of horse racing
 6 in which each horse participating in the race is a thoroughbred, (i.e., meeting the
 7 requirements of and registered with The Jockey Club of New York) and is
 8 mounted by a jockey; and

9 (21) "Track" means any association duly licensed by the Kentucky Horse Racing
 10 Commission to conduct horse racing. "Track" shall include any facility or real
 11 property that is owned, leased, or purchased by a track within the same
 12 geographic area within a sixty (60) mile radius of a track but not contiguous to
 13 track premises, upon racing commission approval, and provided the
 14 noncontiguous property is not within a sixty (60) mile radius of another licensed
 15 track premise where live racing is conducted and not within a forty (40) mile
 16 radius of a simulcast facility, unless any affected track or simulcast facility agrees
 17 in writing to permit a noncontiguous facility within the protected geographic
 18 area.

19 → Section 2. KRS 230.260 is amended to read as follows:

20 The racing commission, in the interest of breeding or the improvement of breeds of
 21 horses, shall have all powers necessary and proper to carry out fully and effectually the
 22 provisions of this chapter including, but without limitation, the following:

23 (1) The racing commission is vested with jurisdiction and supervision over all horse
 24 race meetings in this Commonwealth and over all associations and all persons on
 25 association grounds and may eject or exclude therefrom or any part thereof, any
 26 person, licensed or unlicensed, whose conduct or reputation is such that his
 27 presence on association grounds may, in the opinion of the racing commission,

1 reflect on the honesty and integrity of horse racing or interfere with the orderly
 2 conduct of horse racing or racing at horse race meetings; provided, however, no
 3 persons shall be excluded or ejected from association grounds solely on the ground
 4 of race, color, creed, national origin, ancestry, or sex;

- 5 (2) The racing commission is vested with jurisdiction over any **person or entity that**
 6 **offers advance deposit account wagering to Kentucky residents**~~[SPMO that offers~~
 7 ~~and accepts pari-mutuel wagers on races conducted at any racing association within~~
 8 ~~the Commonwealth]. **Any such person or entity**~~[An SPMO]~~ under the jurisdiction
 9 of the racing commission shall be licensed by the racing commission, and the racing
 10 commission may impose a license fee~~[on an SPMO]~~ not to exceed ten thousand
 11 dollars (\$10,000) annually. The racing commission shall, by administrative
 12 regulation promulgated in accordance with KRS Chapter 13A, establish conditions
 13 and procedures for the licensing of **advance deposit account wagering**
 14 **providers**~~[SPMOs, and]~~ **to include but not be limited to:**~~

15 **(a)** A fee schedule for applications for licensure; **and**

16 **(b)** **Reporting requirements to include quarterly reporting on:**

17 **1. The amount wagered on Kentucky races; and**

18 **2. The total amount wagered by Kentuckians;**

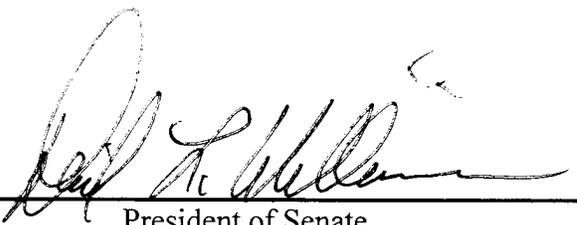
- 19 (3) The racing commission is vested with jurisdiction over any totalisator company that
 20 provides totalisator services to a racing association located in the Commonwealth.
 21 A totalisator company under the jurisdiction of the racing commission shall be
 22 licensed by the racing commission, regardless of whether a totalisator company is
 23 located in the Commonwealth or operates from a location or locations outside of the
 24 Commonwealth, and the racing commission may impose a license fee on a
 25 totalisator company. The racing commission shall, by administrative regulation
 26 promulgated in accordance with KRS Chapter 13A, establish conditions and
 27 procedures for the licensing of totalisator companies, and a fee schedule for

- 1 applications for licensure;
- 2 (4) The racing commission is vested with jurisdiction over any manufacturer,
3 wholesaler, distributor, or vendor of any equine drug, medication, therapeutic
4 substance, or metabolic derivative which is purchased by or delivered to a licensee
5 or other person participating in Kentucky horse racing by means of the Internet,
6 mail delivery, in-person delivery, or other means;
- 7 (5) The racing commission is vested with jurisdiction over any horse training center or
8 facility in the Commonwealth that records official timed workouts for publication;
- 9 (6) The racing commission may require an applicant for a license under subsections (2)
10 and (3) of this section to submit to a background check of the applicant, or of any
11 individual or organization associated with the applicant. An applicant shall be
12 required to reimburse the racing commission for the cost of any background check
13 conducted;
- 14 (7) The racing commission, its representatives and employees, may visit, investigate
15 and have free access to the office, track, facilities, or other places of business of any
16 licensee, or any person owning a horse or performing services regulated by this
17 chapter on a horse registered to participate in a breeders incentive fund under the
18 jurisdiction of the racing commission;
- 19 (8) The racing commission shall have full authority to prescribe necessary and
20 reasonable administrative regulations and conditions under which horse racing at a
21 horse race meeting shall be conducted in this state and to fix and regulate the
22 minimum amount of purses, stakes, or awards to be offered for the conduct of any
23 horse race meeting;
- 24 (9) Applications for licenses shall be made in the form, in the manner, and contain
25 information as the racing commission may, by administrative regulation, require.
26 Fees for all licenses issued under KRS 230.310 shall be prescribed by and paid to
27 the racing commission;

- 1 (10) The racing commission shall establish by administrative regulation minimum fees
2 for jockeys to be effective in the absence of a contract between an employing owner
3 or trainer and a jockey. The minimum fees shall be no less than those of July 1,
4 1985;
- 5 (11) The racing commission may refuse to issue or renew a license, revoke or suspend a
6 license, impose probationary conditions on a license, issue a written reprimand or
7 admonishment, impose fines or penalties, deny purse money, require the forfeiture
8 of purse money, or any combination thereof with regard to a licensee or other
9 person participating in Kentucky horse racing for violation of any federal or state
10 statute, regulation, or steward's or racing commission's directive, ruling, or order to
11 preserve the integrity of Kentucky horse racing or to protect the racing public. The
12 racing commission shall, by administrative regulation, establish the criteria for
13 taking the actions described in this subsection;
- 14 (12) The racing commission may issue subpoenas for the attendance of witnesses before
15 it and for the production of documents, records, papers, books, supplies, devices,
16 equipment, and all other instrumentalities related to pari-mutuel horse racing within
17 the Commonwealth. The racing commission may administer oaths to witnesses and
18 require witnesses to testify under oath whenever, in the judgment of the racing
19 commission, it is necessary to do so for the effectual discharge of its duties;
- 20 (13) The racing commission shall have authority to compel any racing association
21 licensed under this chapter to file with the racing commission at the end of its fiscal
22 year, a balance sheet, showing assets and liabilities, and an earnings statement,
23 together with a list of its stockholders or other persons holding a beneficial interest
24 in the association; and
- 25 (14) The racing commission shall promulgate administrative regulations establishing
26 safety standards for jockeys, which shall include the use of rib protection
27 equipment. Rib protection equipment shall not be included in a jockey's weight.



Speaker House of Representatives



President of Senate

Attest: 

Chief Clerk of House of Representatives

Approved 

Governor

Date 3-16-11